TOWN OF UNDERHILL

CAPITAL IMPROVEMENT PROGRAM

Fiscal Years

2015 through 2020

Approved by the Selectboard

January 2012

Updated December 2013

CAPITAL IMPROVEMENT PROGRAM

The capital assets of the Town of Underhill and their condition are critical to the quality of services provided by the Town. This document details the Capital Improvement Program (CIP) for the Town of Underhill.

Defining the Parts

A municipal capital budget and capital program combine a one year capital budget and a five year capital program.

Capital Budget

The capital budget identifies the capital projects to be undertaken during the following fiscal year, the estimated costs and the proposed method of financing. It should match the capital projects that are included in the annual budget prepared by the selectboard and presented to the voters for approval on Town Meeting Day.

Capital Program

The capital program is a plan containing capital projects and recommended methods for financing for each of the following five years. It is a working document intended to provide guidance for the town's future decisions on capital projects. Changes to the program may be made based on revenues, overall economic conditions, shifts in public policy, or community objectives and priorities.

Capital Project

The Town of Underhill has adopted a policy for capital expenditures consistent with Generally Accepted Accounting Principles (GAAP) and has incorporated Government Accounting Board Standards (GASB) Statement 34 into the annual audit. Under the policy, infrastructure assets purchased or acquired with an original cost of $25,000 or more and an estimated useful life of at least 10 years, plus capital assets purchased or acquired with an original cost of $5,000 or more and an estimated useful life of at least three years are considered capital assets.

Capital Funding Sources

The selectboard has the option to fund reserves created in accordance with 24 V.S.A. §2804 to accumulate resources to pay for items included in the CIP. The use of such reserves can minimize large fluctuations in the tax rate and reduce the need for incurring additional debt. A reserve fund was established by public vote at the March 6, 2012 town meeting. Funding the reserve is established by the selectboard and voted by the voters at subsequent town meetings. Other capital improvements may be funded by federal, state, and private grants; donations; bond issue; financing; or as part of the annual property taxes.

Benefits and Goals

A CIP is a multi-year financial plan for the construction or acquisition of capital assets. The capital improvement program links a town's long-term development plan with its annual budgeting process and can prevent budget and tax rate fluctuations by scheduling expensive capital projects over several years. It provides for the planning of future financial resources to finance projects and identifies the financial resources required to operate and maintain capital assets once they have been acquired. The benefits of capital budgeting and planning include:

1. The CIP should create a policy framework for the expenditure of public funds for capital projects.
2. The CIP should provide for the efficient and effective use of public funds.
3. The rate of growth and development should not exceed the ability of local government to provide facilities and services.
4. The development and provision of public facilities and services should be based on reasonable expectations of population increases and economic growth.
5. The CIP should support the implementation of town and regional plans and policies.
6. The CIP should foster the achievement of greater consistency and fairness in making policy decision.

Development and Maintenance of the Capital Budget and Program

The following process should be used for initial program development.

Step One: Review existing capital and identify additional capital needs based on new services or population growth.

Step Two: Identify projects through discussions with department heads.

Step Three: Determine estimated costs for all projects based on input from department heads and supplemental research.

Step Four: In conformance with 24 V.S.A. § 4430 as amended, the planning commission will draft recommendations to the selectboard and town finance officer by July 1st of each year.

Step Five: Adopt the revisions to the budget and program in accordance with the provisions of 24 V.S.A. § 4430 as amended by September 1st of each year.

Format for the Capital Budget and Program

The capital budget and program shall be arranged to indicate the order of priority of each capital project. Each project request shall contain all of the following:

- Department name and/or contact person for the request.
- A description of the proposed project, purpose, department priority, and estimated cost.
- The anticipated replacement cycle.
- Fiscal year or years of the expenditure.
- Proposed methods of financing.
- Estimated effect, if any, on the annual town operating costs.
- Any additional relevant information.

Priority Criteria

Capital project and/or capital assets will receive a higher priority if they meet some or most of the following criteria:

1. The project or asset meets a policy goal or fulfills a strategic objective of the selectboard.
2. The project or asset is required under a state or federal mandate, law, or regulation.
3. The project or asset will mitigate or eliminate a known safety hazard.
4. The project or asset will maintain and improve the delivery of public services to the population.
5. The project or asset will improve the quality of existing infrastructure.
6. Grant funds are available to assist in funding the project.

Department Requests

The following are the CIP requests by department. Estimates and proposed methods of financing for each request can be found in the accompanying documentation.

Highway

The Highway Department requests are divided into three sections: Vehicles, Major Infrastructure Projects, and Building Upgrades and Additions. This is for ease of tracking as well as for determining priorities.

Vehicles

The highway department maintains an aggressive maintenance and repair schedule for town equipment in order to extend as far as safely possible, the estimated life of each piece of equipment. It is anticipated that dump trucks will be replaced approximately every seven years, the grader and excavator every fifteen years, and the pick up every ten years. These are, however, general estimated useful lives and each piece of equipment is also evaluated based on its annual hourly usage and general condition. Financing for highway equipment can be acquired by either bank loans or leasing contracts.

1997 Excavator	Total Cost $ 200,000	FY 2020
1999 International Dump Truck	Total Cost $ 160,000	FY 2015
2000 Caterpillar Grader	Total Cost $ 245,000	FY 2019
2003 Caterpillar Loader	Total Cost $ 200,000	FY 2016
2006 International Dump Truck	Total Cost $ 200,000	FY 2017
2008 International Dump Truck	Total Cost $ 160,000	FY 2018
2008 Ford Pick Up Truck	Total Cost $ 50,000	FY 2018
2011 International Dump Truck	Total Cost $ 180,000	FY 2019
2013 International Dump Truck	Total Cost $ 180,000	FY 2020

Major Infrastructure Projects

Gravel Roads	Total Cost $ 130,000	FY 2016 – FY 2020

The town has approximately 37 miles of Class III gravel roads. The goal is to rotate on an annual basis in order to cover reconstruction of all roads during a reasonable time period. Major storm damage or other circumstances may delay or otherwise modify the schedule, but given no outside influences, the town's goal is to reconstruct 2,000 linear feet of gravel Class III roads annually. It has been estimated

that the cost of reconstruction, including drainage, fabric, sub base replacement is approximately $65 per linear foot. Based on this estimated, the CIP projects $130,000 per year dedicated to this task.

Paved Roads Total Cost $ 145,000 FY 2015 – FY 2020

The town has approximately 20 miles of Class III paved roads. The annual goal is to repave one mile of road per year. The estimated cost, including shoulders, is $145,000 annually and may be financed with grants as well as state aid, property taxes or reserves.

Culvert Replacements/Retrofits

Box culverts are used to transmit water during brief runoff periods. They are usually dry for much of the year and are used by a variety of wildlife. They can have an artificial floor such as concrete, although this floor may be covered by sediment and/or native vegetation. Box culverts can also be designed to have an open bottom to maintain natural substrates. Box culverts generally provide more room for wildlife passage than large pipe culverts. Financing for the culvert replacements is anticipated to be by state highway grants, municipal taxes, or use of reserve funds.

Corbett Road – Concrete Box Total Cost $ 150,000 FY 2017

The road is eroding above the current culvert. Options for Corbett Road include the box culvert or an arch or elliptical/squash culvert which could be made of metal, concrete, or plastic.

Mountain Road – Concrete Box Total Cost $ 70,000 FY 2016

Mountain Road currently has a hand formed concrete culvert. The culvert's wing walls are pulling away from the structure and the town anticipates replacing with a concrete box culvert. This road serves both the State Park and Maple Leaf Road and may require that a temporary road be built.

Building Upgrades and Additions

Garage Upgrade Total Cost $ 150,000 FY 2015

The town garage on New Road has major structural deficiencies in the ceiling and with the insulation which has resulted in a condensation issue that contributes to an unsafe condition both structurally and environmentally. Work with a consultant to fine tune needs is being done during FY 2014 with the goal of performing the upgrades during FY2015.

Equipment Shed Total Cost $ 50,000 FY 2016

There is a need for a structure in addition to the garage in order to store equipment to protect it from the environment.

Recreation Activities

Tennis Court Replacement Total Cost $ 25,000 FY 2016

The tennis court was build over 40 years ago in the early 1970s and needs significant repairs. It has become dished in the center. As a result, it is holding water and algae is forming making it slippery and dangerous. In addition, there are a number of cracks that require repair.

Basketball Half Court Upgrades Total Cost $ 5,000 FY 2015

The half basketball court at the end of the town pond parking lot has virtually disappeared. It requires new paving and the purchase and installation of a basketball pole and backboard.

Shade Structure Total Cost $ 25,000 FY 2017

The recreation committee is interested in providing a large shade structure, similar to the structure at UCS, on the town pond grounds. A shade structure would provide shade and shelter to the many groups that visit the town pond. Currently, the vast majority of space around and near the pond is in full sun and there are no options for shelter from rain or other inclement weather. The structure could be used for various community events and meetings, as well as a possible meeting space for future recreation department programs.

Town Hall

Town Hall Building Improvements Total Cost $ 20,000 FY 2015

Plans are being developed during FY 2014 to detail the required town hall retrofits with a goal of completing those items during FY 2015. Preliminary items include adapt town clerk area to better accommodate the public and develop better work flow including office layout modification for town departments.

Vault Expansion Total Cost $ 20,000 FY 2015

The amount of space available for the retention of town records is inadequate to the town's needs. One vault will need to be retrofitted and one vault will require new filing systems, including shelving, in order to accommodate the burgeoning growth of records.

Town of Underhill
Capital Improvement Program

Description	Budgeted FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Project Expenditures						
Highway Department Vehicles						
2014 Int'l Dump Truck	160,000					
2003 Cat Loader		200,000				
2006 Int'l Dump Truck			200,000			
2008 Ford Pickup				50,000		
2008 Int'l Dump Truck				160,000		
2011 Int'l Dump Truck					180,000	
2000 Cat Grader					245000	
2013 Int Dump Truck						180,000
1997 Excavator						200,000
Total Highway Vehicles	160,000	200,000	200,000	210,000	425,000	380,000
Major Infrastructure Projects						
Major Reconstruction						
Class III Gravel Roads		130,000	130,000	130,000	130,000	130,000
Class III Paved Roads	145,000	145,000	145,000	145,000	145,000	145,000
Major Culvert Replacement/Retrofit						
Mountain Road - Concrete Boxes		70,000				
Corbett Road - Concrete Boxes			150,000			
Total Major Infrastructure Improvements	145,000	345,000	425,000	275,000	275,000	275,000
Building Upgrades and Additions						
Garage Structural Improvement	150,000					
Equipment Shed		50,000				
Total Building Upgrades	150,000	50,000	-	-	-	-
TOTAL HIGHWAY REQUESTS	**455,000**	**595,000**	**625,000**	**485,000**	**700,000**	**655,000**
Recreation Committee Infrastructure						
Basketball Half-Court Upgrades	5,000					
Tennis Court Replacement		25,000				
Shade Structure			25,000			
Public Buildings/General						
Interior Security and Workspace Renovations –						
Town Hall	20,000					
Vault Expansion	20,000					
TOTAL GENERAL REQUESTS	**45,000**	**25,000**	**25,000**	**-**	**-**	**-**
TOTAL EXPENDITURES	**$ 500,000**	**$ 620,000**	**$ 650,000**	**$ 485,000**	**$ 700,000**	**$ 655,000**
Project Revenues						
Prior-year surplus						
Debt - Bank Financing	160,000					
Grant - Corbett Road - Concrete Boxes			120,000			
Grant - Class II Roads	-	75,000	75,000	75,000	75,000	75,000
Current Year Taxes	340,000	545,000	455,000	410,000	625,000	580,000
TOTAL REVENUES	**$ 500,000**	**$ 620,000**	**$ 650,000**	**$ 485,000**	**$ 700,000**	**$ 655,000**